

5595 SOUTH STATE STREET • (801) 262-7467 • MURRAY, UTAH 84107

*IRREVOCABLE LETTER OF CREDIT*

*Irrevocable Commercial  
Letter of Credit No. 294-80*

*Date: August 1, 1980*

*State of Utah  
Division of Oil, Gas and Mining  
State Capitol Building  
Salt Lake City, Utah 84114*

*Gentlemen:*

*We hereby authorize you to draw on United Bank, P. O. Box 7540, Murray, Utah by order of Co-op Mining Company and for the account of Co-op Mining Company up to an aggregate amount of \$85,000.00 available by your drafts at sight accompanied by a signed statement from your division that Co-op Mining Company has failed to conduct appropriate reclamation activities and that the State will therefore use the funds as necessary to complete the reclamation activities on the mining property located in Huntington Canyon, Emery County. It is a condition of this letter of credit that it will be automatically extended for additional periods of up to one (1) year from the then relevant expiry date, unless thirty (30) days prior to that relevant expiry date, we, United Bank, notify you, the Division, that we, United Bank, elect not to extend this letter of credit whereupon you, the Division, may elect either to obtain cash collateral by drawing your one sight draft on us for an amount not to exceed the unused balance of this letter of credit, or to let the letter of credit expire.*

*Each draft must state that is is "drawn under letter of credit of United Bank No. 294-80 dated August 1, 1980" and the amount endorsed on this letter of credit.*

*We hereby agree with the drawers, endorsers and bona fide holders of all drafts drawn under and in compliance with the terms of this credit, that such drafts will be duly honored upon presentation to the drawee.*

*United Bank agrees to inform the Division of any event which would jeopardize the validity of their letter of credit, including the bank's ability to pay pursuant to the terms hereof or the expiration of their letter of credit by agreement between Co-op Mining Company and United Bank. That we, United Bank, send our notification to you, the Division, at the above-listed address by registered mail (return receipt requested) dated not less than thirty (30) days prior to expiration.*

*RECEIVED  
AUG 1 1980  
DIVISION OF  
OIL, GAS AND MINING*

Irrevocable Letter of Credit No. 294-80  
State of Utah, Division of Oil, Gas and Mining  
August 1, 1980  
Page Two

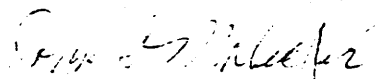
*The undersigned has read and understands the regulations regarding letters of credit.*

*This letter of credit is not transferrable.*

*Except so far as otherwise expressly stated, this credit is subject to the Uniform Customs and Practice for Commercial Documentary Credits fixed by the Thirteenth Congress of the International Chamber of Commerce.*

*Very truly yours,*

UNITED BANK



John S. Malecker  
Executive Vice President

JSM:hl

Copy 2000  
1066707  
Our Records Show Your BALANCE TO BE  
\$16,767.35 Date 5-13-57 19

However, you may have issued some checks  
which have not been presented.

*John B. Knight*

10 06707 20

THE UNITED BANK, MURRAY, UTAH

SAVINGS

Below find duly authorized signatures which you will recognize in payment of funds or the transaction of other business on my savings account. It is understood and agreed that this account shall be subject to the rules of the United Bank.

Sign here ~~for~~ CO-OP MINING COMPANY (PARTNERSHIP)

*Edwin H. Kingston*

DIVISION OF OIL, GAS, AND MINING, STATE OF UTAH

*Clayton B. Knight as Director*

Address 53 West Angelo  
Salt Lake City, Utah 84115 Security No. 87-0225487

Birthplace

Date of Birth

Father's name

Mother's Maiden name

Name of Husband or Wife

Occupation

Deposited by

Date Opened

TWO SIGNATURES REQUIRED